PART III A

1 - 4 Attached

PART III B

- 1) The formation to be injected is the Devonian, in the Mid Vacuum Devonian Pool.
- 2) The injection will be open hole 11837 12000.
- 3) This well was drilled as an oil well in 1964.
- 4) The well is currently producing from perforations at 8937 9080, in the Vacuum Abo Reef Pool.
- 5) There is no lower production, and the next higher oil and gas production is the Wolfcamp at 9700 9900'.

PART VII

- 1) The average daily injection rate will be 5000 BWPD, with a maximum of 10,000 BWPD.
- 2) This system will be closed.
- The source of the water will be produced water from the Devonian and from offset Abo and San Andres floods.

4) The average injection pressure will be 0 (zero) with a maximum of 500 PSI.

5) The injection zone is productive of oil and gas within one (1) mile. Analysis attached.

PART VIII

The proposed injection zone is the Devonian, and the lithology is a Limestone. The top of the Devonian is at 11838 (-7882), and the injection zone is 11837 - 12000'. The only fresh water in the area is the Ogallala at 200 - 250' from surface, and there is no fresh water known below the injection zone.

PART IX

We plan to acidize the openhole interval with 5000 gallons 15% HCL.

PART XII

PENROC OIL CORPORATION has examined available geologic and engineering data, and finds no evidence of open faults or any other hydrologic connection between the disposal zone and any source of drinking water.

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